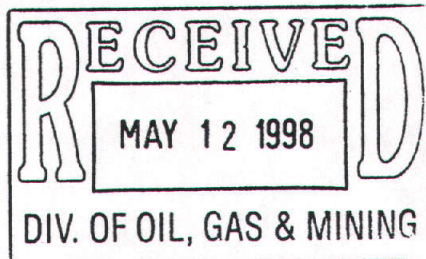


FORM MR-RC  
Revised April 7, 1998  
RECLAMATION CONTRACT



File Number M/001/036

Effective Date May 22, 1998

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

### RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

|   |  |
|---|--|
| "NOTICE OF INTENTION" (NOI): (File No.) | <u>M/001/036</u>   |
| (Mineral Mined)                         | <u>Common variety rock</u>   |
| "MINE LOCATION":                        |  |
| (Name of Mine)                          | <u>Milford Quarry</u>  |
| (Description)                           | <u>The quarry is located 6.5 miles</u><br><u>northwest of Milford, UT in</u><br><u>Beaver County</u> |
| "DISTURBED AREA":                       |  |
| (Disturbed Acres)                       | <u>210</u>   |
| (Legal Description)                     | <u>(refer to Attachment "A")</u>   |
| "OPERATOR":                             |  |
| (Company or Name)                       | <u>Twin Mountain Rock Co.</u>  |
| (Address)                               | <u>Box 880</u><br><u>Milford, UT 84751</u>   |
| (Phone)                                 | <u>(801) 387-2997</u>  |

0011



"OPERATOR'S REGISTERED AGENT":

(Name)

C T Corporation System

(Address)

50 West Broadway

Salt Lake City, UT 84101

(Phone)

(801) 531-7090

"OPERATOR'S OFFICER(S)":

Christopher J. Murphy - President

R. David Jennings - Vice President

Rodney K. Rosenthal - Secretary

"SURETY":

(Form of Surety - Attachment B)

Surety bond

"SURETY COMPANY":

Aetna Casualty & Surety Company  
of America

(Name, Policy or Acct. No.)

Acct. No. 20S101075924 BCM

"SURETY AMOUNT":

(Escalated Dollars)

\$750,000

"ESCALATION YEAR":

2002

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Twin Mountain Rock Co. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/001/036 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated December 11, 1996, and the original Reclamation Plan dated December 11, 1996. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face



amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.



OPERATOR:

Twin Mountain Rock Co.  
Operator Name

By R. David Jennings  
Authorized Officer (Typed or Printed)

Vice President  
Authorized Officer - Position

R. David Jennings  
Officer's Signature

MAY 7, 1998  
Date

STATE OF Nebraska )  
 ) ss:  
COUNTY OF Douglas )

On the 7<sup>th</sup> day of May, 19 98, personally  
appeared before me R. David Jennings who being by  
me duly sworn did say that he/she, the said R. David Jennings  
is the Vice President of Twin Mountain Rock Co.  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
R. David Jennings duly acknowledged to me that said  
company executed the same.



Rita A. Kalkowski  
Notary Public  
Residing at: Omaha, Nebraska

December 27, 1998  
My Commission Expires:



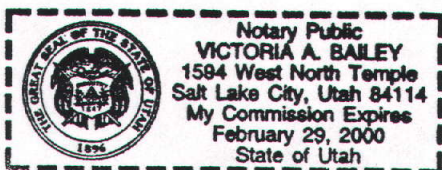
DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton  
Lowell P. Braxton, Acting Director

5/22/98  
Date

STATE OF UTAH )  
 ) ss:  
COUNTY OF SALT LAKE )

On the 22<sup>nd</sup> day of May, 19 98, personally appeared before me Lowell P. BRAXTON, who being duly sworn did say that he/~~she~~, the said Lowell P. BRAXTON is the Acting Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/~~she~~ duly acknowledged to me that he/~~she~~ executed the foregoing document by authority of law on behalf of the State of Utah.



Victoria A. Bailey  
Notary Public  
Residing at: SALT LAKE CITY, UT

FEBRUARY 29, 2000  
My Commission Expires:



ATTACHMENT "A"

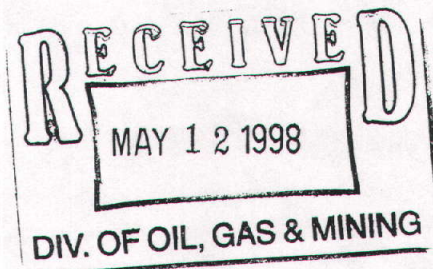
|                               |                            |
|-------------------------------|----------------------------|
| <u>Twin Mountain Rock Co.</u> | <u>Milford Quarry</u>      |
| Operator                      | Mine Name                  |
| <u>M/001/036</u>              | <u>Beaver</u> County, Utah |
| Permit Number                 |                            |

**The legal description of lands to be disturbed is:**

W1/2 of Section 14;  
NE1/4 of Section 14;  
NW1/4 of the NW1/4 of the SE1/4 of Section 14;  
NW1/4 of Section 13;  
SW1/4 of Section 12; and the  
SE1/4 of the SE1/4 of Section 11;  
Township 27 South, Range 11 West



## DECREASE CERTIFICATE



Bond No. - [REDACTED]

Bond Amount \$948,000.00

Principal - Twin Mountain Rock Company

Decreased to \$750,000.00

Obligee - State of Utah Department of Natural Resources

As of the 1st day of May, 1998, the amount of the above described bond is hereby decreased from the sum of \$948,000.00 to the sum of \$750,000.00. The liability of the surety for any acts or defaults occurring after the effective date hereof, will in no event exceed the sum last named. The aggregate liability of the surety for any and all acts and defaults, whenever committed, will in no event exceed the sum last named, it being the intent hereof to preclude cumulative liability. This certificate, when signed by the Obligee will become part of the said bond.

This certificate will also change the name of the surety from The Aetna Casualty and Surety Company of America to Travelers Casualty and Surety Company of America.

Signed, sealed and dated this 6th day of May, 1998.

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

Jennifer L. Bookout  
Jennifer L. Bookout, Attorney-in-Fact

This certificate was executed by the surety pursuant to our request, and we hereby formally consent to the decrease.

Signed, sealed and dated this 22 day of May, 1998.

State of Utah Lawell P Brayton

Acting Director, Division of Oil, Gas & Mining  
Title



POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint Robert D. Lembke, P. A. Foss, Philip G. Dehn, Terry K. Bartel, Jennifer L. Bookout or Janet R. Nielsen \*\*

of, Omaha, NE, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated

, the following instrument(s):

by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto

and to bind TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company, which Resolutions are now in full force and effect:

VOTED. That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Group Executive, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him or her.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Group Executive, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Group Executive, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

(over)